



DC Health Benefit Exchange Authority

Mila Kofman, Executive Director

HBX Staff Proposed Budget FY19

HBX Standing Advisory Board

November 3, 2017



PROPOSED BUDGET- FY19

- PROCESS: Staff, Board Finance Committee, Standing Advisory Board (diverse stakeholders) & HBX Executive Board
- Organized to Reflect Function Areas
- Efficiency: Leverage DC gov't agencies; phase-out consultants and transition to FTEs, and reduce operational costs through partnership with the Massachusetts Health Connector
 - \$1.08M savings with MA partnership
- FY 2019 STAFF PROPOSED BUDGET \$30,866,138, with a \$29,518,469 PROPOSED ASSESSMENT BASED BUDGET
- Funded through an assessment on health carriers (.90%) reduced from 1% assessment for FY2018



BUDGET COMPARISON: FY18 & FY19

	FY18 APPROVED BUDGET	FY19 STAFF PROPOSED BUDGET	\$ CHANGE	% CHANGE
MARKETPLACE INNOVATION POLICY AND OPERATIONS (Marketplace Operations)	\$9,343,621	\$10,039,977	\$696,356	7.45%
CONSUMER EDUCATION AND OUTREACH	\$2,373,440	\$2,958,536	\$585,096	24.65%
IT (DCHealthLink.com)	\$10,458,460	\$11,470,393	\$1,011,093	9.68%
AGENCY MANAGEMENT PROGRAM	\$5,308,378	\$5,708,804	\$400,426	7.54%
AGENCY FINANCIAL OPERATIONS	\$658,840	\$688,428	\$29,588	4.49%
TOTAL BUDGET	\$28,142,739	\$30,866,138*	\$2,723,400	9.68%

***FY 19 BUDGET FOR ASSESSMENT: \$29,518,469**



BUDGET COMPARISON: FY18 & FY19 FTEs

	FY18 APPROVED FTE	FY19 PROPOSED FTE	DIFFERENCE
MARKETPLACE INNOVATION, POLICY AND OPERATIONS (Marketplace Operations)	41.0	44.0	3.0
CONSUMER EDUCATION AND OUTREACH	5.0	5.0	0.0
IT (DCHealthLink.com)	25.0	31.0	6.0
AGENCY MANAGEMENT PROGRAM	18.0	18.0	0.0
AGENCY FINANCIAL OPERATIONS	3.0	3.0	0.0
TOTAL FTE	92.0	101.0*	9.0*

***5 FTEs FUNDED THROUGH AGREEMENT WITH MASSACHUSETTS HEALTH CONNECTOR**



SUMMARY PROPOSED FY19 BUDGET

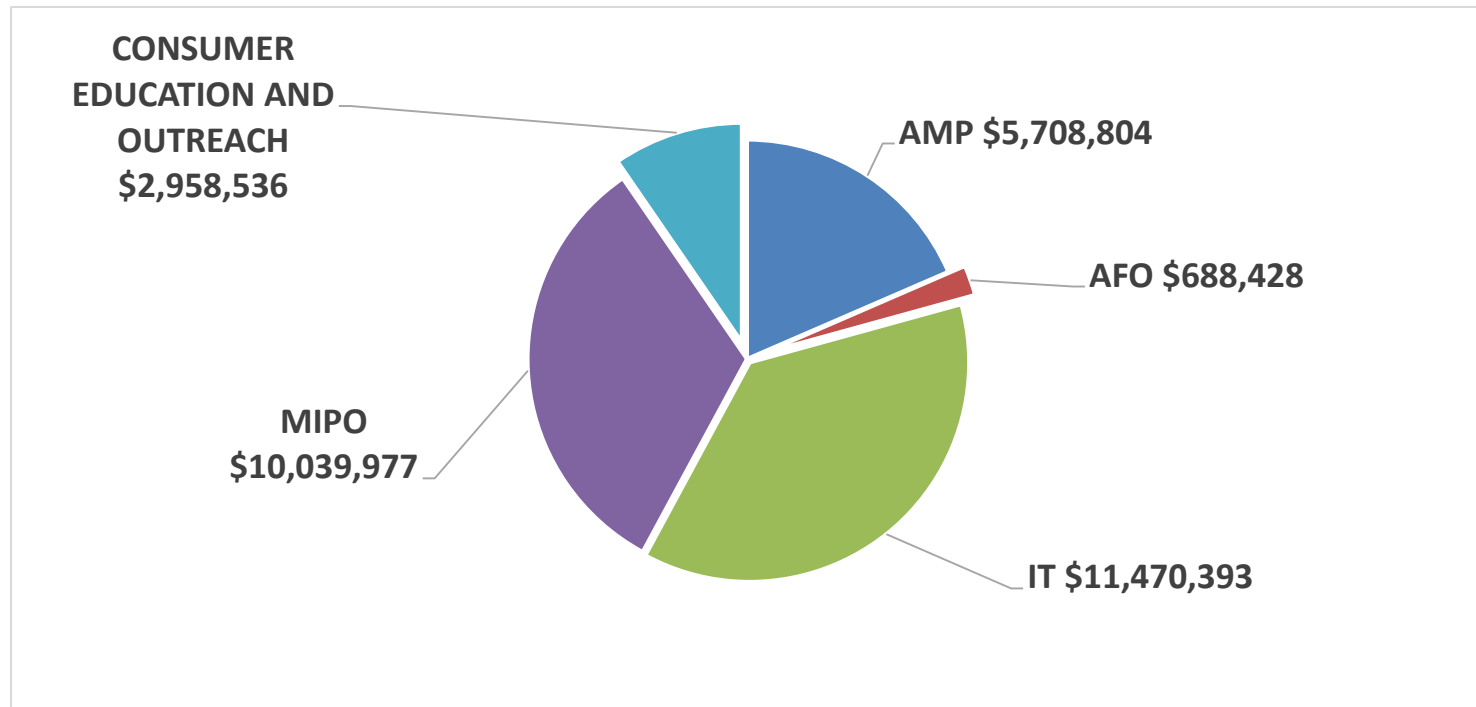
	FY19 PROPOSED BUDGET	FTEs
MARKETPLACE INNOVATION POLICY AND OPERATIONS (Marketplace Operations)	\$10,039,977	44
CONSUMER EDUCATION AND OUTREACH	\$2,958,536	5
IT (DCHealthLink.com)	\$11,470,393	31
AGENCY MANAGEMENT PROGRAM	\$5,708,804	18
AGENCY FINANCIAL OPERATIONS	\$688,428	3
TOTAL BUDGET	\$30,866,138*	101**

***FY 19 ASSESSMENT BASED BUDGET IS \$29,518,469**

****5 FTEs FUNDED THROUGH AGREEMENT WITH MASSACHUSETTS HEALTH CONNECTOR**



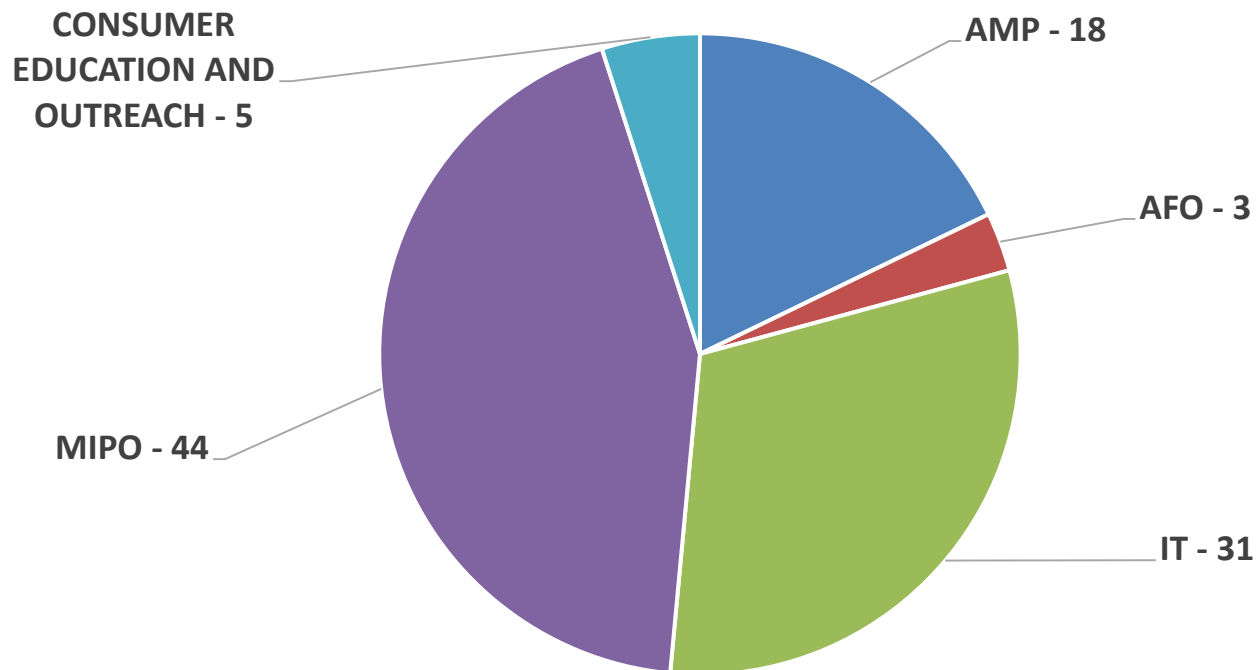
FY19 BUDGET BY PROGRAM



FY 19 ASSESSMENT BASED BUDGET IS \$29,518,469



FY19 FTEs BY PROGRAM





MARKETPLACE INNOVATION, POLICY AND OPERATIONS (MIPO)

PROPOSED FY19 BUDGET = \$10,039,977

(FY18 BUDGET = \$9,343,621)

- FY19 PERSONNEL SERVICES BUDGET FOR 44 FTEs (including Overtime) = \$5,140,681
- NON-PERSONNEL SERVICES = \$4,899,296

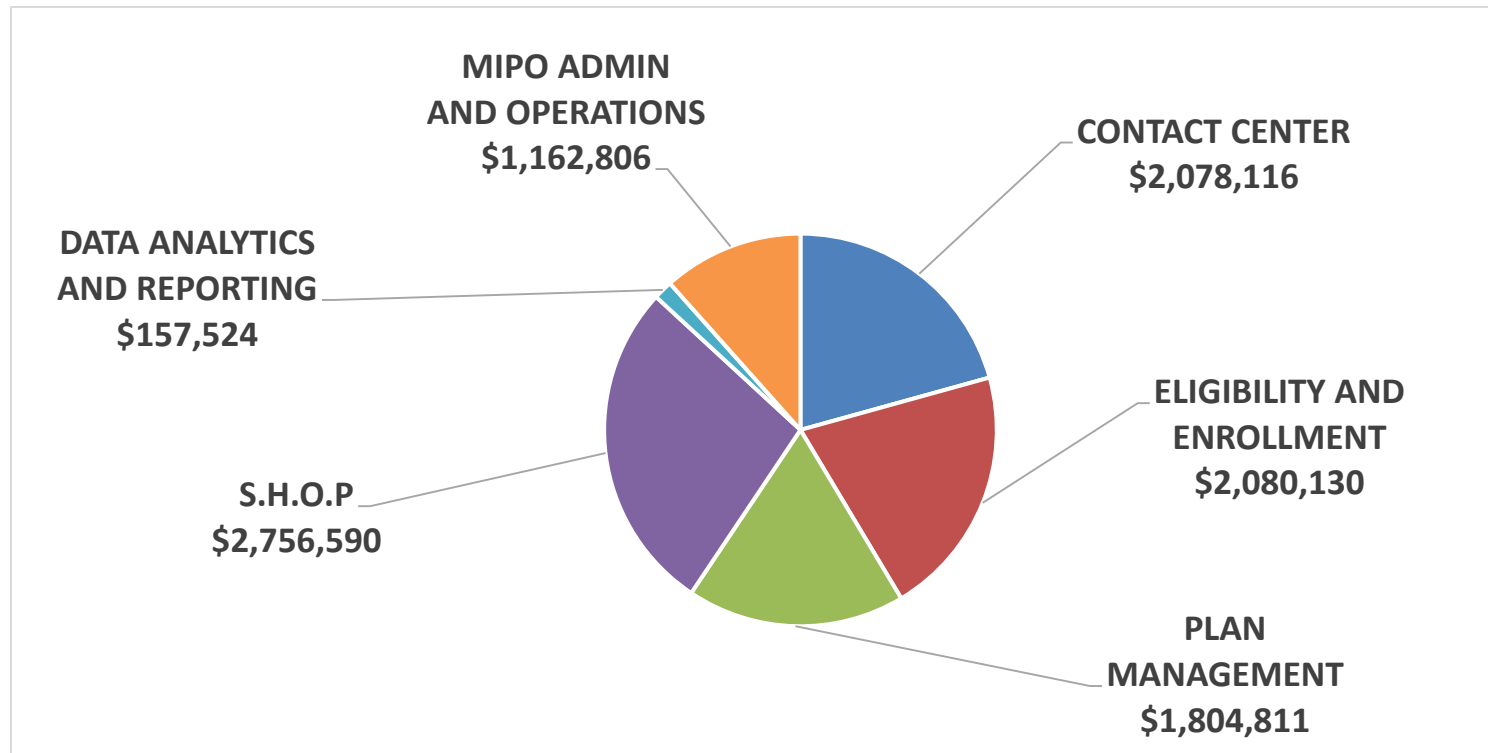


MIPO BUDGET BY FUNCTION AREAS

- CONTACT CENTER: \$2,078,116
- ELIGIBILITY AND ENROLLMENT: \$2,080,130
- PLAN MANAGEMENT: \$1,804,811
- S.H.O.P.: \$2,756,590
- DATA AND REPORTING: \$157,524
- MIPO ADMINISTRATION AND OPERATIONS (SOFTWARE, SUPPLIES, SALARIES NOT INCLUDED IN CATEGORIES ABOVE & TRAINING): \$1,162,806



MIPO BUDGET BY FUNCTION AREAS





MIPO: CONTACT CENTER **(ASSUMES 74/26 COST ALLOCATION W/MEDICAID)**

CONTACT CENTER FY19 BUDGET = \$2,078,116**

- **NON-PERSONNEL SERVICES = \$2,078,116:**
 - **CONTACT CENTER SERVICE CONTRACT: \$1,100,000**
 - **CALL CENTER SALESFORCE LICENSES: \$32,000**
 - **ADMIN: \$12,095**
 - **RENT: \$854,947 (L'ENFANT PLAZA)***
 - **LANGUAGE LINE: \$78,574***

*FULL COST BILLED TO HBX. REDUCED SUBJECT TO COST ALLOCATION AGREEMENT

** REFLECTS SAVINGS OF \$115,647 FROM MA HEALTH CONNECTOR PARTNERSHIP



MIPO: ELIGIBILITY AND ENROLLMENT

(INDIVIDUAL MARKETPLACE)

FY19 BUDGET = \$2,080,130

- **PERSONNEL SERVICES BUDGET = \$1,313,630**
 - Includes member services staff
- **NON-PERSONNEL SERVICES = \$766,500**



MIPO: ELIGIBILITY AND ENROLLMENT (CONT.)

- NON-PERSONNEL SERVICES = \$766,500
 - MOA WITH DHS FOR ESA: \$100,000
 - MOA WITH OAH FOR ELIGIBILITY APPEALS: \$15,000
 - MOA WITH OFFICE OF DISABILITY RIGHTS FOR SIGN LANGUAGE INTERPRETATION: \$1,500
 - NOTICE PRINTING/MAILING: \$330,000
 - AMHARIC/SPANISH TRANSLATION OF NOTICES: \$70,000
 - CONSULTING SERVICES: \$250,000



MIPO: PLAN MANAGEMENT

PLAN MANAGEMENT FY19 BUDGET = \$1,804,811

- PERSONNEL SERVICES BUDGET = \$664,811
- NON-PERSONNEL SERVICES = \$1,140,000
 - ACTUARIAL SERVICES: \$250,000
 - NATIONWIDE DOCTOR DIRECTORY, PLAN MATCH & PHARMACY TOOL: \$890,000



MIPO: S.H.O.P.

S.H.O.P FY19 BUDGET = \$2,756,590

- PERSONNEL SERVICES BUDGET = \$2,006,590
- NON-PERSONNEL SERVICES = \$750,000:
 - PREMIUM AGGREGATION: \$500,000*
 - CONSULTING SERVICES: \$250,000

*REFLECTS SAVINGS OF \$364,997 FROM MA HEALTH CONNECTOR PARTNERSHIP



MIPO: DATA AND REPORTING

DATA AND REPORTING FY19 BUDGET = \$157,524

- PERSONNEL SERVICES BUDGET = \$153,884
- NON PERSONNEL SERVICES = \$3,640
 - INTERNAL SURVEY TOOL SOFTWARE: \$3,540
 - MAIL MERGE SOFTWARE: \$100



MIPO: ADMIN AND OPERATIONS

- **MIPO ADMIN AND OPERATIONS FY19 BUDGET:
\$1,162,806**
 - PERSONNEL SERVICES: \$956,766
 - OVERTIME: \$45,000
 - NON PERSONNEL COSTS (INCLUDING COMPUTER REFRESH, SUPPLIES, TRAINING, NAHU, ETC.): \$161,040



CONSUMER EDUCATION AND OUTREACH

CONSUMER EDUCATION AND OUTREACH FY19 BUDGET =
\$2,958,536 (FY18 BUDGET = \$2,373,440)

- PERSONNEL SERVICES FOR 5 FTEs = \$727,036
- NON-PERSONNEL SERVICES = \$2,231,500:
 - OUTREACH AND ENROLLMENT (DCCC, GWHCC, RAMW) AND NAVIGATORS/ASSISTERS: \$950,000
 - OUTREACH AND MARKETING: \$1,131,500
 - HEALTH INSURANCE LITERACY CAMPAIGN: \$125,000
 - OUTREACH DATA RESOURCE: \$20,000
 - ADMIN COSTS: \$5,000



IT (DCHealthLink.com)

IT FY19 BUDGET= \$11,470,393 (FY18 BUDGET = \$10,458,460)

- PERSONNEL SERVICES FOR 31 FTEs = \$4,224,274 (CONVERSION OF IT CONSULTANTS TO FTEs)
- NON-PERSONNEL SERVICES BUDGET = \$7,246,119
 - IT CONSULTANTS: \$4,942,080
 - SOFTWARE COSTS: \$1,717,918
 - SALESFORCE LICENSE: \$38,170
 - OCTO IT ASSESSMENT: \$111,084
 - ADMIN COSTS: \$67,093
 - FIXED COST (RENT & SUPPLEMENTAL HVAC): \$359,774



AGENCY MANAGEMENT PROGRAM(AMP)

AMP FY19 BUDGET= \$5,708,804 (FY17 BUDGET = \$5,308,378)

- PERSONNEL SERVICES FOR 18 FTEs = \$3,211,251
- NON-PERSONNEL SERVICES BUDGET = \$2,497,553
 - FIXED COST: \$1,925,791 (INCLUDES RENT, TELEPHONE & SUPPLEMENTAL HVAC)
 - MOA WITH DCHR FOR HR SUPPORT SERVICES: \$100,250
 - MOA WITH DISB FOR ASSESSMENT SERVICES: \$85,000
 - MOA WITH CONTRACT APPEALS BOARD: \$25,000
 - LEGAL EXPENSES (CONSULTANTS, SUBSCRIPTIONS): \$59,000
 - EMPLOYEE TRAINING: \$40,000
 - TEMPORARY STAFFING AGENCY: \$15,000
 - MEMBERSHIP (INCLUDING NASHP): \$19,000
 - ADMIN COSTS : \$228,512 (COMPUTERS, TRAVEL, OFFICE SUPPLIES, BOARD EXPENSES, ETC.)



AGENCY FINANCIAL OPERATIONS (AFO)

AFO FY19 BUDGET = \$688,428 (FY18 BUDGET = \$658,840)

- PERSONNEL SERVICES FOR 3 FTEs = \$529,328
- NON-PERSONNEL SERVICES = \$159,100
 - AUDITING SERVICES (INCLUDING CAFR, SINGLE AUDIT, SMART AUDIT): \$150,000
 - ADMIN: \$9,100



SUMMARY OF CHANGES

FY19 Budget = \$30,866,138 (\$2.7M increase from FY 18)

- 9 new FTEs
- Salary step increases
- Change in cost allocation with Medicaid for call center operations



FY 19 REDUCTION IN HBX OPERATIONS COSTS THROUGH MA HEALTH CONNECTOR PARTNERSHIP

Category	FY19 Budget
Personnel - 5 FTEs	439,000
Admin Fees Collected	162,173
Premium Aggregation*	364,997
Contact Center*	115,647
Total	\$1,081,817

* SAVINGS ALREADY REFLECTED IN FY19 STAFF PROPOSED BUDGET



HBX STAFF PROPOSED BUDGET RECONCILIATION TO ASSESSMENT BASED BUDGET

FY19 Staff Proposed Budget	30,866,138
Less:	
5 FTEs budgeted for MA Health Connector	-439,000
Estimated Admin Fees budgeted for MA Health Connector	-162,173
Cost Allocation for Language Line	-59,716
Cost Allocated Rent for Call Center	-649,780
Interest and Other Fees	-37,000
Net FY19 Budget for Assessment Calculation	29,518,469